Millogic	**Quality Control**

Counterfeit Component Policy

1.0 General

Millogic recognizes the problem of counterfeit components, and applies component purchasing rules to minimize the probability that counterfeit components are utilized in Millogic products. Millogic does not utilize on-site testing equipment for validating components, and is dependent on a tightly controlled and robust supply chain to minimize the risk of use that counterfeit components are used in Millogic products.

2.0 Purchasing

Purchasing of components will be performed by Millogic staff only, and only after training in purchasing policies.

2.1 Consigned kits

Assemblies will built only from consigned kits of components, purchased and verified by Millogic staff.

2.2 Suppliers

Components will only be purchased from first tier franchised distributors, or directly from manufacturers. Purchasing of components from unlicensed distributors or brokers is prohibited. Millogic will maintain an active supplier list, which includes the qualified supplier(s) for each manufacturer of components.

2.3 Tracability

When required by an end customer, a contract manufacturer will be required to provide a complete tracability report for each lot of built assemblies, including the date / lot codes of each component for a specific lot of assemblies. All Millogic assemblies and components will be marked with a lot code or serial number.

3.0 Contract Manufacturers and Subcontractors

All Contract Manufacturers and Subcontractors must be qualified and approved prior to use. Contract Manufacturers are restricted to only use components purchased and supplied by Millogic on Millogic assemblies.

A Certificate of Compliance is required for all shipments of components or assemblies.

4.0 Exceptions

Any exceptions to the purchasing policy that may be requested due to component availability issues utilizing the approved supply chain would require approval by the Quality Manager, and only on the condition that additional safeguards are put in place, such as third party component validation or testing, to ensure that the approved exception does not increase the risk that counterfeit components are utilized in Millogic assemblies.